

# JUST. NEWS RELEASE

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## Older annuity buyers have most to lose by not shopping around, Just Group analysis reveals

- **Gap between the best and worst annuity rates increases with age**

Retirees waiting until later in life to buy annuities are at most risk of missing out on extra lifetime income by failing to shop around for the best deal.

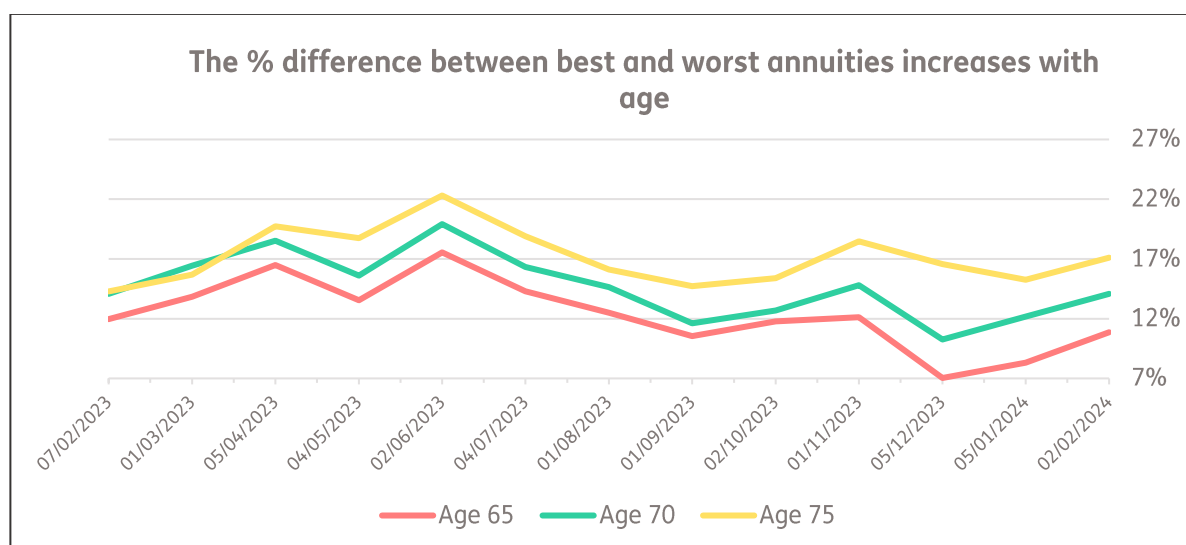
Choosing the most competitive annuity provider can deliver tens of thousands of pounds of extra income compared to the least competitive over the course of a long retirement. Figures published last year by the Financial Conduct Authority in its flagship consumer survey 'Financial Lives', found half of annuity buyers did not compare deals.

**Retirement specialist Just Group** said its analysis of current rates found that the gap between the best and worst deals is much higher at age 75 than at age 70 or 65.

A healthy 75-year-old can secure about 17% more income from the best annuity provider compared to the worst. The best-worst gap is 14% at age 70 and 11% at age 65.

**Stephen Lowe, group communications director at retirement specialist, Just Group**, said the figures highlight the importance of shopping around, particularly among older buyers who are at most risk of losing extra income with poor choices.

"Improving returns have pushed up demand for annuities in recent months but buyers must do their homework to avoid the poor value providers and to secure the highest income possible," he said. "It means extra money every month for as long as you live."



In cash terms, a healthy 75-year-old buying an annuity with a £50,000 pension could expect about £4,661 income each year for the rest of their life from the most competitive provider compared to £3,980 from the least competitive, a difference of £681 or 17% more income every year.

The chart shows that the gap has been as high as 22% in the past year.

At age 70 the best-worst difference is £492 or 14% extra income a year while at age 65 the difference is £342 or 11% extra income per year.

“Annuities provide secure income so people have peace of mind knowing that they can spend what they receive without worrying if it will fluctuate or disappear during their lifetime,” said Stephen Lowe.

“But there are no second chances when you buy annuity – you must get it right first time. That means disclosing health and lifestyle information so that the rate offered is personalised to your circumstances, then taking that information into the open market to see which providers are the most competitive. The better the deal, the more income you will enjoy for the rest of your life.”

He recommends all retirees should take the free, independent and impartial guidance from the government-backed Pension Wise service. Professional annuity brokers or financial advisers can help choose options and compare between providers.

Research carried out by the Financial Services Authority last year found half (50%) of annuity buyers did not compare rates to find the best provider and more than half (52%) did not know disclosing poor health could result in higher rates.

“These high numbers raise concerns about the level of support retirees are receiving – this is the closest thing in the financial world to being given ‘free money’,” he added.

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## Enquiries

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### Notes to Editors

1 – FCA, Financial Lives: <https://www.fca.org.uk/financial-lives/financial-lives-2022-survey>

## About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage more than £26 billion of customers' retirement savings and has helped customers release over £6.5 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

### Marketed Products

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

### Professional services

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

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